TREASURER'S & AUDITORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 1987

CITY OF Waterloo ONTARIO

MEMBERS OF CITY COUNCIL

1987

Mayor

MARJORIE CARROLL

Councillors

Jim Erb

Robert Henry

Mary Jane Mewhinney

Andrew Telegdi

Brian Turnbull

Dorothy Schnarr

John Shortreed

Lynne Woolstencroft

DEPARTMENT HEADS

Don Roughley
Chief Administrative Officer

Ron Keeling,
City Clerk

Tom Stockie,
Commissioner of Finance
and City Treasurer

Jim Willis,
Commissioner of Public Works
and City Engineer

Ken Pflug,
Commissioner of Community
Services

Tom Slomke
Commissioner of Planning

John Staller
Fire Chief

Terry Hallman,
Commissioner of Personnel

Gerry O'Neil
Commissioner of Business
Development

CITY OF Waterloo ONTARIO

April 13, 1988

Mayor Marjorie Carroll,
Members of City Council,
Waterloo, Ontario

Dear Members of Council:

I am submitting, in detail, the Treasurer's and Auditors' Report for the year ended December 31, 1987.

During the past year, the following mill rates were levied for education, regional and local municipal purposes:

Public and Separate School Supporters

Residential and Farm	227.198
Business, Commercial & Industrial	267.292

We completed the year with a substantial surplus, allocating $50,000 to the Library Book Reserve Fund, $50,000 to the Insurance Reserve Fund, $160,000 to the Fire Equipment Reserve Fund, $150,000 to the Computer Purchases Capital Account, $100,000 to the Recreational Facilities Reserve, $100,000 to the City Hall Leasehold Improvements Capital Account, $849,790 to the Municipal Buildings and Facilities Reserve Fund and carrying forward to the 1988 budget a surplus of $1,050,000. The surplus was generated by revenues exceeding budget, particularly in supplementary tax revenue, building permits, engineering design and supervision revenue, interest income and payments-in-lieu of taxes.

Subsequent to the year end, the Ministry of the Environment advised that the City of Waterloo will be receiving a grant for Coal Tar Cleanup in the amount of $670,497. As required by the Coal Tar Settlement Agreement with C.N.R., $201,306 of these monies will be paid to C.N.R.

The Regional Municipality of Waterloo issued, on behalf of the City of Waterloo, debentures for local improvements in the amount of $351,805 at an average interest rate of 10.5% and debentures for the library addition in the amount of $1,051,000 at an average interest rate of 9.5%.

The following additional reports are provided, giving details of certain activities in 1987:

Taxable Assessment
Population Statistics
Industrial Lands Account
Impost Reserve Fund
Public Lands Reserve Fund
Unit Levy Reserve Fund
Community Services Concessions

I would like to express my appreciation to the Mayor and members of City Council for their co-operation. I would also like to thank Gina Luciantonio, the Director of Accounting and Systems, who has prepared this year's Financial Statements; Ross McKee, the Director of Revenue who has done an excellent job again in revenue collections and all members of the Finance Department for their dedication and support.

Yours very truly,

T.B. Stockie, CMA
Commissioner of Finance
and City Treasurer
City of Waterloo

TBS/lb

CITY OF WATERLOO

TREASURER'S & AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 1987

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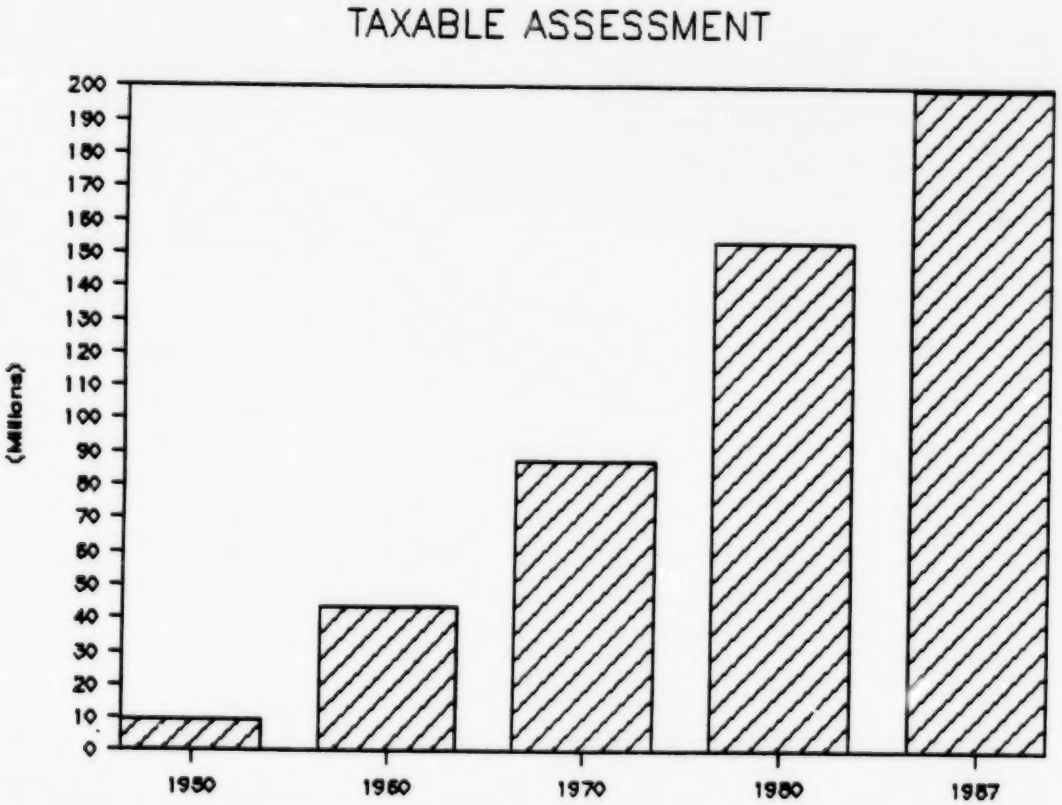
TAXABLE ASSESSMENT

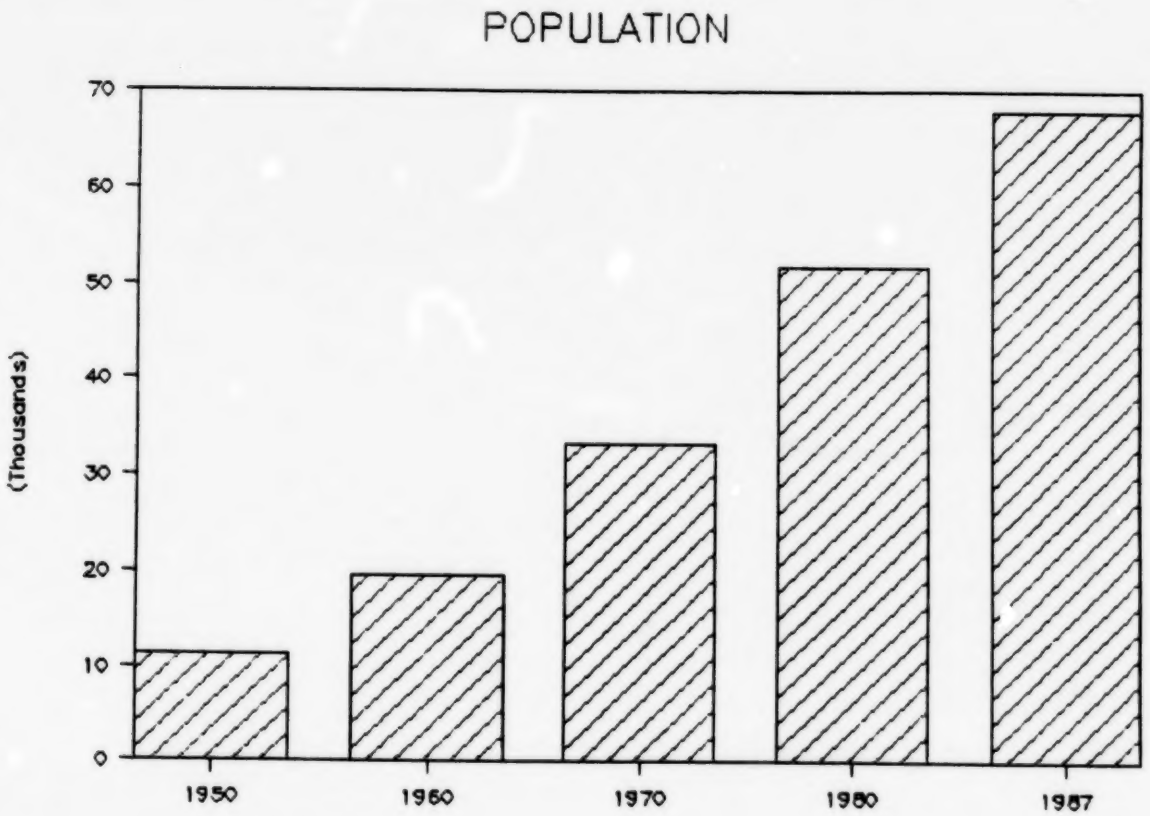
Taxation Year	Residential	%	Industrial & Commercial	%
1987	124,805,968	62.45%	75,033,500	37.55%
1986	117,074,531	62.48%	70,291,242	37.52%
1985	112,580,647	62.61%	67,223,547	37.39%
1984	107,973,058	62.16%	65,724,891	37.84%
1983	105,000,578	62.02%	64,292,506	37.98%
1982	103,420,644	62.46%	62,164,719	37.54%
* 1981	92,677,295	59.95%	61,907,052	40.05%
* 1980	90,029,655	60.00%	60,023,510	40.00%
* 1979	88,227,620	61.17%	55,996,809	38.83%
* 1978	86,076,310	63.63%	49,206,895	36.37%
* 1977	81,550,555	62.94%	48,014,580	37.06%
* 1976	78,098,258	62.86%	46,147,775	37.14%
* 1975	75,382,590	63.07%	44,143,255	36.93%
* 1974	68,081,430	61.80%	42,077,770	38.20%
* 1973	64,319,875	62.20%	39,081,780	37.80%
1972	59,243,875	59.89%	39,670,900	40.11%
1971	57,069,175	61.02%	36,454,810	38.98%
1970	54,438,525	62.38%	32,825,750	37.62%

* Figures shown are for the former City of Waterloo only. Higher residential ratio due to Bell Telephone Assessment being deleted as taxable on Assessment Roll.



POPULATION STATISTICS

1961	-	21,665	1970	-	34,641	1979	-	51,795
1962	-	22,244	1971	-	36,313	1980	-	54,157
1963	-	23,401	1972	-	38,817	1981	-	54,831
1964	-	25,478	1973	-	41,998	1982	-	57,412
1965	-	28,079	1974	-	45,349	1983	-	58,734
1966	-	29,894	1975	-	48,468	1984	-	60,591
1967	-	31,422	1976	-	49,972	1985	-	63,265
1968	-	32,625	1977	-	51,473	1986	-	66,577
1969	-	33,349	1978	-	50,291	1987	-	68,098



INDUSTRIAL LANDS ACCOUNT
CASH POSITION
AS AT DECEMBER 31, 1987

Purchase	Location	Acreage	Closing Date	Price	Commissions	1986 Receipts	1987 Receipts	Unit Levy	1987 Net Industrial Land Contribution	
Balance as at December 31, 1986										$443,943.07
RECEIPTS										
Rental of Industrial Land										500.00
Penora Holdings	Rankin Street	1.99	Jan. 15/87	86,565.00	4,328.00	12,985.00	69,252.00	13,691.20	55,560.80	
John Orrell - in trust	Bathurst & McMurray	1.033	Apr. 30/87	48,034.50			48,034.50	7,524.38	40,510.12	
Snider Bros.	Bathurst Dr.	1.00	Apr. 15/87	46,500.00			46,500.00	7,284.00	39,216.00	
Seliter Industries Inc.	McMurray Rd.	1.30	May 7/87	60,450.00			60,450.00	9,469.20	50,980.80	
Carl Wickens - in trust	Bathurst & McMurray	1.40	Aug. 1/87	70,700.00			70,700.00	10,197.60	60,502.40	
Wayne Stecho	Bathurst Drive	1.987	Mar. 27/87	49,459.00	2,472.95	7,419.00	39,567.05	14,473.31	25,093.74	
Kaufman Mechanical	79 Rankin St.	0.82	Apr. 30/87	37,310.00	1,865.50	5,597.00	29,847.50	5,972.88	23,874.62	
Michael Hartshorn-in trust	Ranking Street	2.48	May 15/87	125,240.00	5,757.20		119,482.80	18,064.32	101,418.48	
Krebs Restaurants Inc.	Northland Ind. Park	3.33	Feb. 5/88	234,930.00	6,185.00		165,086.00		165,086.00	
Tankard Investments	Northland Road	3.07	June 15/87	142,755.00			142,755.00	22,361.88	120,393.12	
Treadway Exports - in trust	Northland & McMurray	6.50	June 30/87	302,250.00			302,250.00	47,346.00	254,904.00	
Tankard Investments	Northland Road	1.93	Aug. 20/87	97,465.00			97,465.00	14,058.12	83,406.88	
Bender Developments	Bathurst Dr. (south)	6.53	Feb. 18/88	329,765.00			49,465.00		49,465.00	
Big Bear Services	Weber St. N.	7.045	Mar. 15/88	327,593.00			49,139.00		49,139.00	
723940 Ontario Limited	Northfield (north)	12.00	May 26/88	798,420.00			119,760.00		119,760.00	
Vanity Mart Ltd.	Frobisher Dr. (north)	1.85	May 5/88	133,200.00			19,980.00		19,980.00	
Kessler & Kureb in Trust	Northland (south)	1.35	Jul. 2/88	92,475.00			13,871.00		13,871.00	
Peterson Auto Electric	Frobisher Dr. (north)	0.80	May 5/88	57,600.00			8,640.00		8,640.00	
D. Dyck Industries Ltd.	Frobisher Dr. (north)	1.00	May 5/88	68,500.00			10,275.00		10,275.00	
S.G. Cunningham Kit. Ltd.	Baffin & Davenport	1.14	May 6/88	78,090.00			11,714.00		11,714.00	
Earl Lee Elmira Ltd.	Frobisher & McMurray	1.20	June 1/88	82,200.00			12,330.00		12,330.00	
Total Receipts		59.76			20,608.65	26,001.00	1,486,563.85	170,442.89	1,316,120.96	1,316,120.96
EXPENDITURES										
Debt Charges									22,417.50	
Legal Fees & surveys									12,471.80	
Black Walnut-Purchase (including legal fees of $5,822.73)									587,639.25	
Magna Land Purchase (including appraisal fees of $990.00, surveying & aerials $675.55, Land Transfer Tax $23,946.50, Certification 1,700, legal fees 6799.62, O.M.B. approval 1,025)										
Clear & Fill Property - 640 Weber Street North									710,796.04	
Inducon - Temporary servicing pole and cable removal									682.50	
Conrad Place easement - Olympia Cabinets									5,019.00	
Ortus Realty Sanitary Sewer Connection									20,652.37	
Northland Industrial Subdivision - service costs									11,819.14	
Black Walnut - Northland Subdivision - service costs									209,071.08	
Northfield East Business Park - service costs									5,536.78	
									89,689.06	
Total Expenses									1,675,794.52	
Balance as at December 31, 1987										$84,769.51

IMPOST RESERVE FUND
AS AT DECEMBER 31, 1987

Balance as at December 31, 1986		$44,541.66
RECEIPTS		
Bombay Trading Co., 384-388 Erb St. W.	20,160.00	
Bill Weber, 21 Exra Ave.	1,150.00	
W. Weinstein, 59 Menno St.	390.00	
J. Brubacher, 60 George St.	390.00	
Sandmark Holdings, 505, 7, 9, 11, 13, 15, 17 Sunnydale	8,000.00	
Joseph Lorkovic, 211 Erb Street W.	200.00	
Gravest Inc., 30-40 Laurel Street	760.00	
NCD Construction, 525 Beechwood Dr.	7,020.00	
W. Weber, 17 Ezra Ave.	1,245.00	
Interest	5,054.00	44,369.00
EXPENDITURES		
O.M.B. special charges on water & sewer	125.00	
13308600 - Major Sanitary Sewer Repair	9,366.34	9,491.34
Balance as at December 31, 1987		$79,419.32

PUBLIC LANDS RESERVE FUND
AS AT DECEMBER 31, 1987

Balance as at December 31, 1986		194,684.80
RECEIPTS		
Lincoln Village, Bridge & Dansbury Subd.	22,335.00	
Wiebe Property, 50 Allen St. W.	1,250.00	
Wiebe Property, 64 Allen St. W.	250.00	
Freure Homes, Westfield Subd.	43,409.00	
Tallwood Acres, Corrie Cres. Subd.	28,744.00	
Haalboom, Hambly, Cockburn Subd.	13,365.00	
Wiebe Property, 62 Allen St. W.	7,250.00	
Martin Frey, Frey/Malabar Subd.	5,811.19	
Malabar Dev. Inc., Frey/Malabar Subd.	13,656.81	
V. Norris-Lue, R.R.#3 Erbsville Rd. Sub. B15/87	1,320.00	
Kruse, Lawson & Haller, 905 Erb St. W.	1,690.00	
Dalls McKay, 222 Albert St.	950.00	
Interest	26,247.00	166,278.00
EXPENDITURES		
Bechtel Park lights	7,989.17	7,989.17
Balance as at December 31, 1987		352,973.63

UNIT LEVY RESERVE FUND
AS AT DECEMBER 31, 1987

Balance as at December 31, 1986		$3,414,224.62
RECEIPTS		
Plan No.		
1405	Dueck, Snyder, Colby Crt., Lots 17-20	25,500.00
1476	Coscan Developments, Block 46 (Lots 11-17), & Block 45 (Lots 19 & 20)	11,700.00
1516	Freure Homes, 498, 500, 502 Beechwood Dr.	9,360.00
1565	Klaus Subdivision	18,000.00
1566	Bankview Holdings, 476 Kingscourt	29,250.00
1591	Freure Homes, Haldane Crt., Stage IIB	26,400.00
1616	John Wintermeyer, Forestlawn Ext., Phase II	8,400.00
1624	Trillium Estates, Beechwood W., Phase IV	164,200.00
1624	Trillium Estates, Beechwood W., Phases V & VI	35,100.00
1629	Lincoln Village Ltd., Bridge & Dansbury Subd.	46,800.00
1630,31&32	Helmar Holdings	212,400.00
1643	Kraus Holdings, Colonial Acres N. Subd. - Wissler	73,100.00
1646	Freure Homes, Westfield Subd.	56,400.00
1653	Tallwood Acres, Corrie Cres. Subd.	24,000.00
1655	Thomasfield Homes, Culpepper Drive Subd.	18,000.00
1656	Cockburn Subd., (Pd. by Haalboom, Hambly & Schafer)	7,800.00
1658	Martin/Frey, Malabar Subd.	14,300.00
1659	Wimpey Subdivision, Westvale Residential District	157,300.00
1659	Wimpey, Block 78 - Westvale Acres	1,300.00
	Sheldon Kosky, 160-170 University Ave.	10,079.20
	Trillium Estates, B-28/86, B-34/86 Beechwood Dr.	9,100.00
	Kavitha Incorporated, 190 Weber St. N.	16,150.00
	Freure Homes, 494 Beechwood Dr.	2,880.00
	Freure Homes, 496 Beechwood Dr.	3,120.00
	Wiebe Property, 50 Allen St. W.	3,600.00
	Wiebe Property, 64 Allen St. W.	720.00
	Wiebe Property, 62 Allen St. W.	23,760.00
	Harold Schal, 144-146 Weber St. N.	360.00
	Falcon Investments, 401 Erb St. W.	9,360.00
	658205 Ontario Ltd., 460 Philip B-17/86 - B19/86	36,144.00
	Mehlhorn Subdivision, Stage 2	7,400.00
	Sifton Properties Ltd., Erb & Willow St.	90,480.00
	Peter Fay (Pd. by Amy-Appleby), 624 Rustic Dr.	1,300.00
	Oakstone Homes Ltd., 284 Thorndale Dr.	6,630.00
	VHL Construction Ltd. (Verdone Homes) 225 Benjamin Rd.	14,820.00
	R. Hilchey, 613 Bridge St.	1,300.00
	Michael Budd, 50 John St. W.	390.00
	Benninger Construction, 209 Bridge St.	4,953.12
	Kruse, Lawson & Haller, 905 Erb St. W.	1,300.00
	V. Norris-Lue R.R.#3 Erbsville Rd. Sub. No. B-15/87	1,300.00
	Wm. Weber, 3 Regina St. N.	2,730.00
	Ritz-Vest Holdings Inc., 420 Erb St. W.	7,165.80
	Wloo Regional Non-Profit Housing PR87/82 Grant by City	44,460.00

	Wloo Regional Non-Profit Housing PR87/82	7,800.00	
	Northport Landing Inc., 55 Northfield Dr.	12,316.51	
	NCD Construction Ltd., 524-525 Beechwood Dr. #1172	30,420.00	
	Howald Construction Ltd., 100 Bluevale St. N.	3,510.00	
	Nicholson Developments Ltd., 255-257 Northlake Dr.	39,780.00	
	Alex & Annie Chan, 344 & 351 King St. N.	780.00	
	Robert Jordon (G 13946, 593 Rustic Dr.)	1,300.00	
	VHL Construction, 225 Benjamin Rd.	21,060.00	
	Dalls McKay, 222 Albert St.	1,300.00	
	Clement, Eastman, Dreger, 387 Northlake Dr.	1,300.00	
	Davenport Ent., Northfield Dr. & Davenport (Klaus) B.P. 1355	55,380.00	
	Piller Sausages, Wismer Rd.	111,182.97	
	John Albrecht, 9 Lodge St.	39,390.00	
	King - Bridgeport to Young (139204) refund re: materials on closed job	200.50	
	Industrial Land Unit Levy on Land Sales	170,442.89	
	Waterloo Wellington Non-Profit Housing 350 Bearinger Road (works originally paid by unit levy)	4,459.78	
	Interest	290,071.00	2,029,505.77

EXPENDITURES

Locals

13307900	Regina St. - William to Herbert	379,462.39
13308500	Wissler - Old Conestoga	152,897.75
13308700	Roslin St. - Sanitary Sewer Outlet	9,735.80
13513800	Waterloo Motor Inn - Storm Sewer Extension	1,274.39
13723100	Sidewalk, Lexington Rd.	13,927.66
13723800	Sidewalk, Brighton St. (westside/Noecker)	24,767.03
13724200	Sidewalk, Lexington Rd. (southside)	14,310.82
13724300	Sidewalk, University Ave. (northside)	7,458.05
13724500	Sidewalk, Parkside Dr. (eastside)	21,824.26
13725000	Westmount & Bearinger - Pineridge/Tollgate	20,152.99
13725300	Fischer Hallman - Keatsway to Beechlawn	13,584.74
13823800	Asphalt/Landscaping - Centennial Park Entrance	1,116.01
13826900	Lexington Rd.- Bridge to Davenport	53,884.55
13827000	Bearing Rd. - Glen Forest to Tollgate	24,088.39
13827700	Bearinger Rd. - Albert to Parkside	123,694.53
13829700	Benjamin Rd. - Roadbase/Curbs/Asphalt	10,297.31
13829800	Northfield Dr. - Highpoint to Skylark	17,272.64
13917800	Colonial Creek Improvements	43,470.76
13919700	U of W Storm Water Management Pond	135,149.98
13921500	Ditch & Culvert Work - Maple Hill Creek	12,354.70
13922200	Colonial Creek Study	13,650.00
13923300	Regina St. Area - Hydro Relocation	44,495.02
13923600	Eastside Sewer Study	792.69
13923700	William St. Parking Lot	38,969.79
13924000	Ditch & Culvert Work - 117-119 Frederick Banting Pl.	4,207.41
13924100	City Wide Sanitary Sewer Study	3,150.00
13924400	Station Parking Lot	67,318.94
13924600	Sanitary Sewer Extension - U of W Townhouses	50,267.58
13924900	Erb. St. Reconstruction - Caroline to Westmount	5,052.06
13925100	Widening - Hazel St./Close - State St.	19,149.89
13925900	Topographical Mapping	3,519.60
13926500	Walkway - Shakespeare to Post Horn	5,250.00
13926700	Creek & Channel Silt Removal	22,568.41

Subdividers			
13358400 13658400 13858400 13958400	1643/44 Colonial Acres N. (Kraus)	176,546.71	
13364400 13464400	1630 Lakeshore N. Ph. 4	23,647.12	
13466600 13666600 13766600 13866600	Mary Johnston School	51,117.80	
13557200	1659 Wimpey Subdivision	51,551.44	
13564500 13664500 13864500	1637 Beechwood W. Ph. 4	29,473.72	
13655300 13755300 13855300	1453 Lincoln Village North	14,540.20	
13755900	1473/76 Costain - Westvale	193.39	
13759300 13859300 13959300	1554/55 Trillium - Upper Beechwood Ph. 1	26,325.43	
13860400	1619 Lipski Subdivision	1,627.99	
13861100 13961100	1587 Lakeshore N. Ph. 3 (Helmar Holdings)	2,480.82	
13861500	1568 Costain Ph. 5 (Foxhill/Clover Valley)	1,179.33	
13862400	1597/98 Trillium - Upper Beechwood	379.58	
13951900	1620 Klaus (Windermere)	4,496.36	1,742,676.03
Balance as at December 31, 1987			$3,701,054.36

CITY OF WATERLOO

COMMUNITY SERVICES CONCESSIONS

AS AT DECEMBER 31, 1987

	Waterloo Arena	Bechtel Park	Moses Springer	Rink-in-the-Park	Seagram Stadium	Albert McCormick	Park Inn	Adult Recreation Centre	Portable	City Centre Lunchroom	Inventory	Total
Sales Revenue	32,821.20	3,500.35	25,911.35	27,011.31	18,284.16	47,901.37	51,334.49	1,614.65	5,493.65	1,665.10	0.00	215,537.63
COST OF GOODS SOLD												
Beginning Inventory Jan. 1/87	1,122.98	0.90	914.28	1,387.00	140.31	973.47	358.30	65.20	32.02		12,221.09	17,215.55
Plus: Purchases & Transfers	13,708.95	1,262.94	9,835.03	11,017.95	5,800.41	16,926.11	22,803.35	499.81	2,220.25	1,919.03	(4,406.02)	81,587.81
Less: Ending Inventory	852.33	4.22	876.17	963.20	0.00	997.09	423.76	48.00	72.80	140.00	7,815.07	12,192.64
Total Cost of Goods Sold	13,979.60	1,259.62	9,873.14	11,441.75	5,940.72	16,902.49	22,737.89	517.01	2,179.47	1,779.03	0.00	86,610.72
Gross Profit	18,841.60	2,240.73	16,038.21	15,569.56	12,343.44	30,998.88	28,596.60	1,097.64	3,314.18	(113.93)	0.00	128,926.91
Gross Profit/Sales Percentage	57.4%	64.0%	61.9%	57.6%	67.5%	64.7%	55.7%	68.0%	60.3%	-6.8%	0.0%	59.8%
SELLING EXPENSE												
Wages	6,474.34	1,614.41	5,270.91	9,218.94	3,669.26	10,146.27	15,356.28	0.00	1,637.57	0.00	0.00	53,387.98
Maintenance	293.71	90.09	121.82	141.31	305.86	121.81	1,047.01	0.00	440.40	0.00	0.00	2,562.01
Total Expenses	6,768.05	1,704.50	5,392.73	9,360.25	3,975.12	10,268.08	16,403.29	0.00	2,077.97	0.00	0.00	55,949.99
Net Profit	12,073.55	536.23	10,645.48	6,209.31	8,368.32	20,730.80	12,193.31	1,097.64	1,236.21	(113.93)	0.00	72,976.92
Net Profit/Sales Percentage	36.8%	15.3%	41.1%	23.0%	45.8%	43.3%	23.8%	68.0%	22.5%	-6.8%	0.0%	33.9%

CITY OF WATERLOO

SIX YEAR FINANCIAL REVIEW

December 31, 1987

(All dollar amounts are in thousands of dollars, except per capita figures)

		1987	1986	1985	1984	1983	1982
1.	Population at the end of the year	68,098	66,577	63,265	60,591	58,734	57,412
2.	Area in acres at the end of the year	16,500	16,500	16,500	16,500	16,500	16,500
3.	Employees - continuous full time	298	289	280	256	252	253
	- part time	32	30	29	27	25	24
4.	Number of households	23,387	22,342	21,441	20,614	19,878	19,324
5.	Assessment:						
	Taxable assessment upon which the year's rates of taxation were set						
	Residential and farm	124,806	117,375	112,581	107,973	105,001	103,421
	Commercial and Industrial	49,337	46,049	44,255	43,194	42,153	40,649
	Business	25,696	23,942	22,968	22,531	22,139	21,515
		199,839	187,366	179,804	173,698	169,293	165,585
	Per capita	2,935	2,814	2,842	2,867	2,882	2,884
	Commercial and Industrial and Business as a percentage of taxable assessment	37%	37%	37%	38%	37%	38%
	Exempt assessment	49,230	48,377	48,057	46,180	45,715	45,401
	Provincial equalization factor	9	10	11	10	11	11
6.	Rates of taxation:						
	Residential and farm mill rate for -						
	General municipal purposes	54	51	48	45	42	40
	Regional purposes	45	42	38	36	34	31
	School Board purposes	128	119	112	106	98	91
		227	212	198	187	174	162
	Commercial and industrial mill rate for:						
	General municipal purposes	64	60	56	53	50	47
	Regional purposes	53	49	45	43	40	37
	School Board purposes	150	140	131	125	115	107
		267	249	232	221	205	191
7.	Revenue for general municipal services:						
	Taxation	14,002	12,429	11,270	10,319	9,453	8,946
	Payments-in-lieu of taxes	1,138	847	909	812	788	756
	Ontario grants	2,771	2,375	2,115	1,906	1,894	1,841
	Other grants	472	445	501	344	311	350
	Fees and service charges	3,038	2,394	280	118	97	80
	Other	4,932	4,250	4,775	3,949	3,301	3,452
		26,353	22,740	19,850	17,448	15,844	15,425
8.	Tax arrears - per capita	13	13	16	15	14	23
	- percentage of current levy	2%	2%	2%	2%	3%	4%
9.	Expenditure - general municipal	26,189	22,753	19,538	17,233	16,347	15,247
10.	Transfers to the Region	16,016	12,882	11,205	10,072	9,164	8,179
11.	Transfers to the School Boards	28,807	25,514	22,627	20,736	18,466	17,025
12.	Net long term liabilities:						
	General municipal activities	6,998	4,249	4,350	3,769	3,862	3,121
	- per capita	103	64	69	62	65	54
	- percentage of taxable assessment	3.5%	2.3%	2.4%	2.2%	2.2%	1.9%
	Municipal enterprises	6,045	6,353	3,059	1,194	1,318	1,434
13.	Charges for net long term liabilities:						
	General municipal activities	1,124	1,138	1,218	998	969	844
	- per capita	17	17	19	16	16	15
	- as a mill rate	6	6	7	6	6	5
14.	Capital financing during the year:						
	Contributions from own funds	14,835	10,972	6,565	4,856	4,358	3,470
	Long term liabilities incurred	3,383	523	1,259	519	1,261	314
	Ontario grants	613	487	498	526	526	367
	Other	2,052	1,692	1,345	1,435	407	384
		20,883	13,674	9,667	7,336	6,552	4,535
15.	Capital expenditure during the year	18,765	12,931	9,449	7,587	6,531	4,148
16.	Accumulated net revenue at the end of the year	2,339	2,175	2,189	1,877	1,662	2,165
17.	Reserves and reserve funds	11,727	12,801	8,130	5,442	3,584	3,622

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Waterloo:

We have examined the consolidated balance sheet of the Corporation of the City of Waterloo as at December 31, 1987 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Waterloo as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

CITY OF WATERLOO
CONSOLIDATED BALANCE SHEET
As at December 31, 1987

ASSETS	1987 $	1986 $
Unrestricted		
Cash	7,940,319	6,181,197
Taxes receivable	969,102	884,616
Accounts receivable	3,096,918	2,083,042
Inventory (cost)	269,821	273,001
Long term investments	20,000	20,000
Investment in own debentures	390,000	125,000
	12,686,160	9,566,856
Restricted		
Cash	7,129,277	7,640,320
Accounts receivable	36,247	13,863
Long term investments	1,791,593	2,013,179
Investment in own debentures	140,000	190,000
	9,097,117	9,857,362
Capital outlay financed by long term liabilities and to be recovered in future years	7,008,014	4,280,145
	28,791,291	23,704,363
LIABILITIES		
Accounts payable and accrued liabilities	4,969,552	3,818,911
Net long term liabilities (note 7)	7,008,014	4,280,145
FUND BALANCES AT THE END OF THE YEAR (note 8)		
Accumulated net revenue at the end of the year	2,339,417	2,175,190
Unexpended capital financing (capital operations not yet permanently financed)	2,747,000	628,817
Reserves (note 9)	2,630,191	2,943,938
Reserve funds (note 9)	9,097,117	9,857,362
	16,813,725	15,605,307
	28,791,291	23,704,363

(See accompanying notes to the financial statements)

CITY OF WATERLOO
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 1987

	1987 Actual $	1986 Actual $
SOURCES OF FINANCING		
Taxation and user charges		
Residential and farm taxation	29,398,667	26,040,561
Commercial, industrial and business taxation	22,107,489	19,604,713
Taxation from other governments	2,023,267	1,479,588
User charges	10,621,887	8,009,948
Grants		
Province of Ontario	3,383,801	2,861,853
Other municipalities	471,758	445,163
Other		
Contributions from developers	8,552,293	11,012,891
Investment income	2,336,417	2,143,443
Equipment usage contribution	1,006,180	658,300
Sale of land	6,983	220,355
Other	2,920,950	2,435,014
Deduct: Amounts received or receivable for Region and School Boards (note 2)	(44,823,743)	(38,396,183)
Proceeds from the issue of long term liabilities	3,383,356	522,791
Net appropriations from reserves and reserve funds	1,073,992	
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR (note 8)		
To be used to offset (or to be recovered from) taxation or user charges	2,175,190	2,188,813
Unexpended capital financing (or capital operations not yet permanently financed)	628,817	(114,766)
Total financing available during the year	45,267,304	39,112,484

	1987 Actual $	1986 Actual $
APPLIED TO		
Current operations (notes 10 and 11)		
General government	2,437,525	2,003,982
Protection to persons and property	4,106,741	3,745,706
Transportation services	6,177,681	5,521,206
Environmental services	2,847,617	2,508,969
Health services	204,168	206,380
Social and family services	94,714	63,858
Recreation and cultural services	4,406,887	3,835,917
Planning and development	988,867	784,253
Other	151,361	36,038
	21,415,561	18,706,309
Capital		
General government	1,592,555	232,935
Protection to persons and property	73,178	113,571
Transportation services	5,226,914	5,226,169
Environmental services	6,756,469	5,958,232
Recreational and cultural services	1,548,510	443,000
Planning and development	3,567,700	957,096
	18,765,326	12,931,003
Net appropriations to reserves and reserve funds		4,671,165
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR (note 8)		
To be used to offset (or to be recovered from) taxation or user charges	2,339,417	2,175,190
Unexpended capital financing (or capital operations not yet permanently financed)	2,747,000	628,817
Total applications during the year	45,267,304	39,112,484

(See accompanying notes to the financial statements)

CITY OF WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1987

1. Accounting Policies

The consolidated financial statements of the Corporation of the City of Waterloo are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since the precise determination of many assets and liabilities is dependent upon future events, the preparation of the periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) (i) Basis of Consolidation -

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards and municipal enterprises which are under the control of Council:

The Waterloo Public Library Board

The Uptown Waterloo Business Improvement Area Board of Management

The Corporation of the City of Waterloo Waterworks Enterprise

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Municipality and the resulting interest income and expenditures.

(ii) Non-consolidated Entities -

The following local boards, joint local boards, muncipal enterprises and utilities are not consolidated:

Hydro-Electric Commission of Waterloo, Wellesley and Woolwich

(iii) Accounting for Region and School Board Transactions -

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the Regional Municipality of Waterloo are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies), if any, are reported on the Consolidated Balance Sheet as "other current liabilities" ("other current assets").

(iv) Trust funds -

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

(b) Basis of Accounting -

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed assets -

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(iv) Capital outlay to be recovered in future years -

"Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

2. Operations of School Boards and the Regional Municipality of Waterloo

Further to note 1 (a)(iii), the taxation, other revenues, requisitions and overlevies (underlevies) of the school boards and the Regional Municipality of Waterloo are comprised of the following:

	School Boards	Region
Taxation and user charges	$28,807,569	$16,016,174
Requisitions	28,807,569	16,016,174
Overlevies (underlevies) for the year	NIL	NIL
Overlevies (underlevies) at the beginning of the year	NIL	NIL
Overlevies (underlevies) at the end of the year	$ NIL	$ NIL

3. Trust Funds

Trust funds administered by the Municipality amounting to $774,681 (1986 - $722,441) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

4. Investments

The total of investments of $2,341,593 (1986 - $2,348,179) reported on the "Consolidated Balance Sheet" at cost, have a market value of $2,337,900 (1986 - $2,346,672) at the end of the year.

5. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1987 was $475,492 (1986 - $418,485) for current service and is included as an expenditure on the Consolidated Statement of Operations.

Under the past service provisions of the OMERS agreement the Municipality is obligated at December 31, 1987 for an amount of approximately $409,326 (1986 - $473,931) as established for the plan. No provision has been made for this liability in the accompanying financial statements. The liability will be funded by amounts of $98,941 annually over the next five years. An amount of $102,520 (1986 - $102,520) in addition to the amount for current service has been provided for in the current year and is reported as an expenditure on the Consolidated Statement of Operations.

6. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Municipality's employment. This entitlement does not apply to employees hired after June 1, 1985, with the exception of members of the Waterloo Firefighters Association.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $2,169,435 (1986 - $2,051,115) at the end of the year. An amount of $685,900 (1986 - $726,346) has been provided in reserve funds for this past service liability and is reported on the "Consolidated Balance Sheet".

7. Net Long Term Liabilities

(a) The balance of "Net long term liabilities" reported on the "Consolidated Balance Sheet" is made up of the following:

	1987	1986
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	$ 2,726,016	$ 1,204,242
In addition, the Municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by the Regional Municipality of Waterloo. At the end of the year, the outstanding principal amount of this liability is	10,687,464	10,024,145
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of	(6,405,466)	(6,948,242)
Net long-term liabilities	$ 7,008,014	$ 4,280,145

(b) Of the net long term liabilities in (a) of this note, $4,750,864 in principal payments are payable from 1988 to 1992, $2,137,150 from 1993 to 1997, $120,000 from 1998 to 2000 and are summarized as follows:

	1988 to 1992	1993 to 1997	1998 to 2000
From general municipal revenues	$3,399,478	$1,562,536	$120,000
From benefitting landowners	1,341,386	574,614	
From consolidated municipal enterprises	10,000		
	$4,750,864	$2,137,150	$120,000

(c) Included in "Net long term liabilities" on the "Consolidated Balance Sheet" is an amount of $187,000 (1986 - $252,000) payable in U.S. dollars which was converted into Canadian dollars on the basis of $1 Canadian being equal to $1 U.S. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1987, the liability would be increased by $55,987 (1986 - $95,886). A reserve fund has been established in the amount of $256,504 which is intended to provide for exchange fluctuations.

(d) Approval of the Ontario Municipal Board has been obtained for the long term liabilities issued in the name of the Municipality.

8. Municipal Fund Balances at the End of the Year

(a) The balances on the "Consolidated Statement of Operations" of municipal equity of $5,086,417 (1986 - $2,804,007) at the end of the year are comprised of the following:

	1987	1986
For general reduction of taxation	$1,055,534	$1,053,799
For general reduction of user charges	1,283,883	1,121,391
Acquisition of fixed assets to be financed from the proceeds of long term liabilities	2,747,000	628,817
	$5,086,417	$2,804,007

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

(c) The balance available for the general reduction of taxation for the fiscal year ending December 31, 1988 has been reduced by an amount of $1,459,790 ($1,328,337 in 1987) transferred to the Library Book Reserve Fund, Insurance Reserve Fund, Fire Equipment Reserve Fund, Computer Purchases Capital Account, Recreational Facilities Reserve, City Hall Leasehold Improvements Capital Account and Municipal Buildings and Facilities Reserve Fund as authorized by by-law number 88-4, dated January 4, 1988. Had this reduction not been made the balance would have shown a surplus of $2,515,324 (1986 - $2,382,136).

9. Reserves and Reserve Funds

The total balance of reserves and reserve funds of $2,630,191 (1986 - $2,943,938) and $9,097,117 (1986 - $9,857,362) respectively are made up of the following:

	1987	1986
Reserves set aside for specific purpose by Council		
. For acquisition of fixed assets	$1,918,830	$1,709,102
. For winter control	179,315	179,315
. For working capital	304,862	928,337
. For recreational facilities	227,184	127,184
Total reserves	$2,630,191	$2,943,938

	1987	1986
Reserve funds set aside for specific purpose by Council		
. For acquisition of fixed assets	$ 48,776	$ 373,333
. For sick leave	685,900	726,346
. For lot levies and subdivider contributions	5,295,763	6,145,061
. For exchange rate stabilization	256,504	245,672
. For housing incentive		16,380
. For insurance	174,310	84,972
. For library books	108,159	102,125
. For other capital expenditures	2,033,596	1,871,876
	8,603,008	9,565,765
Reserve funds set aside for specific purposes by legislation, regulation or agreement		
. For park purposes	352,974	194,685
. For local improvements	141,135	96,912
	494,109	291,597
Total reserve funds	$9,097,117	$9,857,362

10. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1987	1986
Principal payments	$ 655,486	$ 646,666
Interest	491,580	515,208
	$1,147,066	$1,161,874

The charges for long term liabilities assumed by the non-consolidated entities are not reflected in these statements.

11. Nonaccrual of Interest on Long Term Liabilities

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made the municipal fund balances as at December 31, 1987 would have been decreased by $85,162 (1986 - $47,977).

12. Budget Figures

Budgets established for Capital Funds, Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Operations.

13. Commitment

The lease commitment for City Hall office premises amounts to approximately $370,000 per annum from 1988 - 1991, $441,000 per annum from 1992 - 1996 and $493,000 per annum from 1997 - 2002.

Schedule 1

CITY OF WATERLOO
ANALYSIS OF CURRENT OPERATIONS
For the year ended December 31, 1987

	1986 Actual $	1987 Actual $	1987 Budget $	Budget Comparison Over(under) $
Revenue				
Taxation and user charges				
Residential and farm taxation	26,040,561	29,398,666	29,359,670	38,996
Commercial, industrial and business taxation	19,604,713	22,107,489	21,620,861	486,628
Taxation from other governments	1,479,588	2,023,266	1,870,917	152,349
User charges	8,009,948	10,621,887	8,580,801	2,041,086
Deduct:				
Amount received or receivable on behalf of the Region and school boards	(38,396,183)	(44,823,743)	(44,315,098)	(508,645)
Grants				
Province of Ontario	2,374,574	2,770,924	2,552,035	218,889
Other municipalities	445,163	471,758	481,576	(9,818)
Other				
Investment income	1,618,101	1,719,993	942,000	777,993
Equipment usage contribution	658,300	1,006,180	947,090	59,090
Sale of land	220,355	6,983		6,983
Other	653,860	825,936	752,460	73,476
Net municipal revenue	22,708,980	26,129,339	22,792,312	3,337,027
Expenditures				
General government	2,003,982	2,437,525	2,469,605	(32,080)
Protection to persons and property	3,745,706	4,106,741	4,107,127	(386)
Transportation services	5,521,206	6,177,681	6,137,294	40,387
Environmental services	2,508,969	2,847,617	2,706,628	140,989
Health services	206,380	204,168	203,936	232
Social and family services	63,858	94,714	95,941	(1,227)
Recreation and cultural services	3,835,917	4,406,887	4,438,477	(31,590)
Planning and development	784,253	988,867	981,429	7,438
	18,670,271	21,264,200	21,140,437	123,763
Net appropriations (to) from other funds				
. reserves	(1,698,104)	(902,439)	(712,900)	(189,539)
. reserve funds	(1,339,919)	(2,256,934)	(1,096,854)	(1,160,080)
. capital operations	(1,014,309)	(1,541,539)	(1,028,920)	(512,619)
	(4,052,332)	(4,700,912)	(2,838,674)	(1,862,238)
Increase (decrease) in accumulated net revenue for the year	(13,623)	164,227	(1,186,799)	1,351,026
Accumulated net revenue at the beginning of the year	2,188,813	2,175,190	2,175,190	
Accumulated net revenue at the end of the year	2,175,190	2,339,417	988,391	1,351,026

Schedule 2

CITY OF WATERLOO
ANALYSIS OF CAPITAL OPERATIONS
For the year ended December 31, 1987

	1987 Actual $	1986 Actual $
Source of Funds		
Long term liabilities incurred	3,383,356	522,791
Ontario grants	612,877	487,279
Other	2,052,331	1,692,403
Appropriations from other funds		
. current operations	1,541,539	1,014,309
. reserves	1,210,814	404,591
. reserve funds	12,082,592	9,553,213
	20,883,509	13,674,586
Expenditures		
General government	1,592,555	232,935
Protection to persons and property	73,178	113,571
Transportation services	5,226,914	5,226,169
Environmental services	6,756,469	5,958,232
Recreation and cultural services	1,548,510	443,000
Planning and development	3,567,700	957,096
	18,765,326	12,931,003
Capital operations not yet permanently financed (unexpended capital financing) at the beginning of the year	(628,817)	114,766
Capital operations not yet permanently financed (unexpended capital financing) at the end of the year	(2,747,000)	(628,817)

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1987

	Total	Works Equipment	Waterworks Equipment	Community Service Equipment	Computer Equipment
	$	$	$	$	$
RESERVES					
Balance at the beginning of the year	2,943,938	1,143,330	227,830	301,452	
Appropriations from (to) current operations	902,439	557,928	69,255	129,056	31,200
Appropriations to capital operations	(1,210,814)	(427,232)	(36,190)	(117,522)	
Other	(5,372)				(5,372)
Balance at the end of the year	2,630,191	1,274,026	260,895	312,986	25,828
RESERVE FUNDS					
Balance at the beginning of the year	9,857,362				
Revenue					
Contributions from developers	8,552,293				
Interest earned	616,424				
Appropriations from current operations	2,357,434				
Transfers between reserve funds					
Other	42,685				
	11,568,836				
Expenditures					
Contributions to current operations	100,500				
Contributions to capital operations	12,082,592				
Other	145,989				
	12,329,081				
Balance at the end of the year	9,097,117				

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1987

	Concession Equipment $	Winter Control $	Working Fund $	Recreational Facilities $	Adult Recreation Building Fund $
RESERVES					
Balance at the beginning of the year	36,490	179,315	928,337	127,184	
Appropriations from (to) current operations	15,000			100,000	
Appropriations to capital operations	6,395		623,475		
Other					
Balance at the end of the year	45,095	179,315	304,862	227,184	
RESERVE FUNDS					
Balance at the beginning of the year					81,733
Revenue					
Contributions from developers					
Interest earned					6,742
Appropriations from current operations					
Transfers between reserve funds					
Other					2,443
					9,185
Expenditures					
Contributions to current operations					
Contributions to capital operations					7,277
Other					
					7,277
Balance at the end of the year					83,641

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1987

	Adult Recreation Memorial Fund $	Developer Deposits $	Fire Equipment $	Fire Expansion $	Impost Charges $
RESERVES					
Balance at the beginning of the year					
Appropriations from current operations					
Appropriations to capital operations					
Other					
Balance at the end of the year					
RESERVE FUNDS					
Balance at the beginning of the year	1,721	2,686,294	373,333	229,679	44,542
Revenue					
Contributions from developers		6,633,513			39,315
Interest earned	164	10,000	30,918	26,016	5,054
Appropriations from current operations			214,000	152,775	
Transfers between reserve funds					
Other	431				
	595	6,643,513	244,918	178,791	44,369
Expenditures					
Contributions to current operations					
Contributions to capital operations		7,814,517	583,178		9,367
Other					125
		7,814,517	583,178		9,492
Balance at the end of the year	2,316	1,515,290	35,073	408,470	79,419

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1987

	Insurance $	Library Books $	Local Improvements $	Municipal Buildings and Facilities $	Municipal Housing Incentives $
RESERVES					
Balance at the beginning of the year					
Appropriations from current operations					
Appropriations to capital operations					
Other					
Balance at the end of the year					
RESERVE FUNDS					
Balance at the beginning of the year	84,972	102,125	96,912	1,558,743	16,380
Revenue					
Contributions from developers					
Interest earned	8,532	6,534	11,343	102,495	
Appropriations from current operations	93,306	100,000		1,779,139	
Transfers between reserve funds				(183,955)	
Other			32,880		
	101,838	106,534	44,223	1,697,679	
Expenditures					
Contributions to current operations		100,500			
Contributions to capital operations				1,827,253	16,380
Other	12,500				
	12,500	100,500		1,827,253	16,380
Balance at the end of the year	174,310	108,159	141,135	1,429,169	Nil

Schedule 3

CITY OF WATERLOO
ANALYSIS OF RESERVES AND RESERVE FUNDS
For the year ended December 31, 1987

	Project Lift $	Public Lands $	Sick Leave $	Unit Levy $	U.S. Debentures $	404 Wing $
RESERVES						
Balance at the beginning of the year						
Appropriations from current operations						
Appropriations to capital operations						
Other						
Balance at the end of the year						
RESERVE FUNDS						
Balance at the beginning of the year	Nil	194,685	726,346	3,414,225	245,672	Nil
Revenue						
Contributions from developers		140,031		1,739,434		
Interest earned	558	26,247	67,683	290,071	24,067	
Appropriations from current operations	18,214					
Transfers between reserve funds						183,955
Other	6,931					
	25,703	166,278	67,683	2,029,505	24,067	183,955
Expenditures						
Contributions to current operations						
Contributions to capital operations		7,989		1,742,676		73,955
Other	12,000		108,129		13,235	
	12,000	7,989	108,129	1,742,676	13,235	73,955
Balance at the end of the year	13,703	352,974	685,900	3,701,054	256,504	110,000

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
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AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Waterloo:

We have examined the balance sheet of the trust funds of the Corporation of the City of Waterloo as at December 31, 1987 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust funds for the Corporation of the City of Waterloo as at December 31, 1987 and the continuity of trust funds for the year then ended in accordance with accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

CITY OF WATERLOO
TRUST FUNDS

STATEMENT OF CONTINUITY
For the year ended December 31, 1987

	Total $	Mount Hope Cemetery $	Parkview Cemetery $	Prepaid Grave Openings $	Prepaid Cremations $	Ontario Home Renewal Program $
Balance at the beginning of the year	722,441	117,150	334,178	53,080	38,065	179,968
Capital receipts						
Sale of plots	44,747		44,747			
Prepaid sales	12,355			8,905	3,450	
Interest earned	69,297	11,794	35,896	5,792	4,006	11,809
	126,399	11,794	80,643	14,697	7,456	11,809
Expenditures						
Transfer to revenue fund	60,320	11,794	35,896	5,792	4,006	2,832
Loans forgiven	13,839					13,839
	74,159	11,794	35,896	5,792	4,006	16,671
Balance at the end of the year	774,681	117,150	378,925	61,985	41,515	175,106

BALANCE SHEET
As at December 31, 1987

Assets						
Due from revenue fund	6,675					6,675
Accounts receivable	113,980					113,980
Investments (note 3)	654,026	117,150	378,925	61,985	41,515	54,451
Balance - capital	774,681	117,150	378,925	61,985	41,515	175,106

(See accompanying notes to the financial statements)

CITY OF WATERLOO

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1987

1. Accounting policies

Basis of accounting -

Capital receipts and income are reported on the accrual basis of accounting.

Expenditures are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. Ontario Home Renewal Program

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to $7,500 of which the maximum forgivable portion is $4,000.

Ontario Home Renewal Program loans receivable at December 31, 1987 comprise repayable loans of $70,082 (1986 - $73,065) and forgivable loans of $43,898 (1986 - $31,214). Loan forgiveness is earned and recorded at a rate of up to $600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

3. Investments

The total for investments by the trust funds of $654,027 (1986 - $613,000) reported on the Balance Sheet at cost, have a market value of $664,477 (1986 - $634,670) at the end of the year.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

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ACCOUNTANTS' REPORT

To the Ministry of Municipal Affairs:

Our examination of the financial statements of The Corporation of the City of Waterloo for the year ended December 31, 1987 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers dated March 30, 1988.

At your request, we have performed the following procedures in connection with schedules 1 to 11 of the Financial Information Return of The Corporation of the City of Waterloo for the year ended December 31, 1987.

(a) we have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;

(b) we have added and cross-added all schedules; and

(c) we have cross-referenced the information on the schedules where applicable.

The above noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on the fair presentation of this information.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

1987 FINANCIAL INFORMATION RETURN

MUNICIPALITY: CITY of WATERLOO

in the Region, ~~County or District~~ of: WATERLOO

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Attached
1	Analysis of Revenue Fund Revenues	x
2LT	Analysis of Taxation	x
2UT	Analysis of Upper Tier Requisitions and Direct Charges	—
2MA	Analysis of Taxation in Merged Areas	—
3	Analysis of Current Revenue for Specific Functions	x
4	Analysis of Revenue Fund Expenditures	x
5	Analysis of Capital Operations	x
6	Analysis of Capital Grants and Own Expenditures	x
7	Analysis of Net Long Term Liabilities By Function	x
8	Analysis of Long Term Liabilities and Commitments	x
9LT	Continuity of Upper Tier and School Board Levies	x
10	Continuity of Reserves and Reserve Funds	x
11	Analysis of Consolidated Year End Balances	x
12	Statistical Data	x
13	Grant Information	x
14	Grant Information	

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

- The Waterloo Public Library Board
- The Uptown Waterloo Business Improvement Area Board of Management
- The Corporation of the City of Waterloo Waterworks Enterprise

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by CITY OF WATERLOO
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to G.M. LUCIANTONIO, C.A.

100 Regina St. S., Box 337, Waterloo, Ontario, N2J 4A8 (519) 747-8724
(Area code and telephone)

Date April 21 1988

Municipal Treasurer

ANALYSIS OF REVENUE FUND REVENUES

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
		Note: Upper tiers use column 4 only			
		1 $	2 $	3 $	4 $
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	51,506,155	10,122,497	28,693,874	12,689,784
Direct water billings on ratepayers — own municipality	2	3,049,044	1,993,556		1,055,488
— other municipalities	3				
Sewer surcharge on direct water billings — own municipality	4	3,385,425	3,128,870		256,555
— other municipalities	5				
Subtotal	6	57,940,624	15,244,923	28,693,874	14,001,827
Payments in lieu of taxes					
Canada	7	26,980	5,363		21,617
Canada enterprises	8				
Ontario					
The Municipal Tax Assistance Act	9				
The Municipal Act, section 160	10	1,557,150	699,005		858,145
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	201,951	40,089	113,695	48,167
Ontario Hydro	13				
Liquor Control Board of Ontario	14	7,701	3,498		4,203
Other	15	47,075	21,383		25,692
Municipal enterprises	16	111,074	1,913		109,161
Other municipalities and enterprises	17	71,335			71,335
Subtotal	18	2,023,266	771,251	113,695	1,138,320
Ontario unconditional grants					
Per household general	19				
Per household police	20				
Per household density	21				
Transitional and special assistance	22				
Resource equalization	23				
General support	24	849,493			849,493
Northern special support	25				
Apportionment guarantee	26				
Revenue guarantee	27				
Subtotal	28	849,493			849,493
Revenues for specific functions					
Ontario specific grants	29	1,921,431			1,921,431
Canada specific grants	30				
Other municipalities—grants and fees	31	471,758			471,758
Fees, service charges and donations	32	3,038,523			3,038,523
Subtotal	33	5,431,712			5,431,712
Other revenue					
Trailer revenue and licences	34				
Licences and permits	35	1,148,520			1,148,520
Fines	37	132,507			132,507
Penalties and interest on taxes	38	150,006			150,006
Investment income—from own funds	39	36,940			36,940
—other	40	1,683,053			1,683,053
Sale of publications, equipment, etc.	42				
Contributions from capital fund	43	168,157			168,157
Contributions from reserves and reserve funds	44	223,994			223,994
Contributions from non consolidated entities	45				
Equipment usage contribution	46	1,006,180			1,006,180
Other	47	375,641			375,641
	48				
Sale of land	49	6,983			6,983
Subtotal	50	4,931,981			4,931,981
Total revenue	51	71,177,076	16,016,174	28,807,569	26,353,333

ANALYSIS OF TAXATION

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

2LT

		LOCAL TAXABLE ASSESSMENT			MILL RATES		TAXES LEVIED			SUPPLEMENTARY TAXES			TOTAL TAXES
	for computer use only	residential and farm	commercial and industrial	business	residential and farm	commercial industrial and business	residential and farm	commercial and occupied	business	residential and farm	commercial and industrial	business	total columns 6 to 11
		1 $	2 $	3 $	4	5	6 $	7 $	8 $	9 $	10 $	11 $	12 $
I. Own purposes													
(a) Levied by mill rate													
General	010	124,805,968	49,337,326	25,696,175	54.1890	63.7518	6,763,119	3,145,346	1,638,178	165,852	132,683	70,026	11,915,204
police villages at reduced rate	012												
farms at reduced rate	013												
	01												
	01												
Special area rates and police villages													
	01												
	01												
	01												
	01												
	01												
	01												
Subtotal levied by mill rate							1	6,763,119	3,145,346	1,638,178	165,852	132,683	70,026	11,915,204
(b) Other charges on tax bills													
Share of telephone and telegraph taxation	01210						2		252,672					252,672
Local improvements	01220							347,846	18,308					366,154
Sewer and water service charges	01230													
Sewer and water connection charges	01240													
Fire service charges	01250													
Minimum tax (differential only)	01260													
Municipal drainage charges	01270													
Garbage collection charges	01280													
Business improvement area	01290										141,301		14,253	155,754
	01300													
Subtotal special charges on tax bills							3	347,846	270,980	141,301			14,253	774,580
II. Upper tier purposes														
(a) Levied by mill rate														
Total own purposes taxation	01310						4	7,110,965	3,416,326	1,779,479	165,852	132,683	84,279	12,689,784
General	020	124,805,968	49,337,326	25,696,175	45.1005	53.0594	5,628,816	2,617,810	1,363,425	137,947	110,357	58,244	9,916,597
Special purposes													
	02												
	02												
	02												
	02												
Subtotal levied by mill rate							5	5,628,816	2,617,810	1,363,425	137,947	110,357	58,244	9,916,597
(b) Other charges on tax bills													
Share of telephone and telegraph taxation	02210						6		205,900					205,900
Local improvements	02220													
Sewer and water service charges	02230													
Sewer and water connection charges	02240													
Fire service charges	02250													
	02300													
Subtotal special charges on tax bills							7		205,900					205,900
III. School board purposes														
Total upper tier taxation	02310						8	5,628,816	2,823,710	1,363,425	137,947	110,357	58,244	10,122,497
Elementary public														
	030	102,130,513	46,179,750	24,351,845	68.9058	81.0657	7,037,386	3,761,594	1,974,099	185,342	148,273	78,255	13,186,949
	031													
Share of telephone and telegraph taxation	03210						9		306,949					306,949
Subtotal elementary public							10	7,037,386	4,050,543	1,974,099	185,342	148,273	78,255	13,473,898
Elementary separate														
	040	22,675,455	3,157,576	1,344,330	68.9058	81.0657	1,562,470	255,971	108,979	25,675	20,541	10,841	1,984,477
	041													
Subtotal elementary separate							11	1,562,470	255,971	108,979	25,675	20,541	10,841	1,984,477
Secondary public														
	050	102,130,513	46,179,750	24,351,845	59.0026	69.4148	6,025,970	3,205,558	1,690,379	158,392	126,715	66,877	11,273,891
	051													
Share of telephone and telegraph taxation	05210						12		262,438					262,438
Subtotal secondary public							16	6,025,970	3,467,996	1,690,379	158,392	126,715	66,877	11,536,329
Secondary separate														
	070	22,675,455	3,157,576	1,344,330	59.0026	69.4148	1,337,911	219,183	93,216	21,942	17,554	9,264	1,699,170
	071													
Subtotal secondary separate							17	1,337,911	219,183	93,216	21,942	17,554	9,264	1,699,170
Total all school board taxation	06320						14	15,963,737	7,993,693	3,866,773	391,351	313,083	165,237	28,693,874

ANALYSIS OF CURRENT REVENUE FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

3
7

		Ontario specific grants	Canada grants	other municipalities-grants, fees, and service charges	fees, service charges and donations
		1 $	2 $	3 $	4 $
General government	1				134,676
Protection to persons and property					
Fire	2				2,932
Police	3				
Conservation authority	4				
Protective inspection and control	5				59,372
.	6				
Subtotal	7				62,304
Transportation services					
Roadways	8	291,826		450,363	696,904
Winter control	9	222,340			
Transit	10	1,126,499			
Parking	11				56,497
Street lighting	12				
Air transportation	13				
.	14				
Subtotal	15	1,640,665		450,363	753,401
Environmental services					
Sanitary sewer system	16				728,070
Storm sewer system	17				229,775
Waterworks system	18			7,311	301,637
Garbage collection	19				
Garbage disposal	20				
Pollution control	21				
.	22				
Subtotal	23			7,311	1,259,482
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				161,017
.	29				
Subtotal	30				161,017
Social and family services					
General assistance	31				
Assistance to aged persons	32	74,852		14,084	16,141
Assistance to children	33				
Day nurseries	34				
.	35				
Subtotal	36	74,852		14,084	16,141
Recreation and cultural services					
Parks and recreation	37	8,916			565,259
Libraries	38	196,998			56,621
Other cultural	39				
Subtotal	40	205,914			621,880
Planning and development					
Planning and zoning	41				29,622
Commercial and industrial	42				
Residential development	43				
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
.	46				
Subtotal	47				29,622
Electricity	48				
Gas	49				
Telephone	50				
Total	51	1,921,431		471,758	3,038,523

ANALYSIS OF REVENUE FUND EXPENDITURES

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

4

		1 salaries, wages and employee benefits $	2 net long term debt charges $	3 materials, services, rents and financial expenses $	4 transfers to own funds $	5 other transfers $	6 inter-functional transfers $	7 total expenditure $	
General government	1	1,286,316		1,151,087	2,388,245			4,825,648	1
Protection to persons and property									
Fire	2	3,335,107		204,981	366,775		73,500	3,980,363	2
Police	3								3
Conservation authority	4								4
Protective inspection and control	5	347,075		146,078				493,153	5
	6								6
Subtotal	7	3,682,182		351,059	366,775		73,500	4,473,516	7
Transportation services									
Roadways	8	1,714,664	475,457	1,004,178	550,520			3,744,819	8
Winter control	9	155,435		434,868				590,303	9
Transit	10			1,867,314	18,214			1,885,528	10
Parking	11	68,235	42,080	11,742	20,399			142,456	11
Street lighting	12			403,708	64,018			467,726	12
Air transportation	13								13
	14								14
Subtotal	15	1,938,334	517,537	3,721,810	653,151			6,830,832	15
Environmental services									
Sanitary sewer system	16	342,633	132,644	448,070	55,941			979,288	16
Storm sewer system	17	131,613	29,921	220,018	74,284			455,836	17
Waterworks system	18	344,413	37,859	516,125	568,963		(73,500)	1,393,860	18
Garbage collection	19	228,209		243,710	83,627			555,546	19
Garbage disposal	20			245,902				245,902	20
Pollution control	21								21
	22								22
Subtotal	23	1,046,868	200,424	1,673,825	782,815		(73,500)	3,630,432	23
Health services									
Public health services	24								24
Public health inspections and control	25								25
Hospitals	26								26
Ambulance services	27								27
Cemeteries	28	109,046	10,863	84,259				204,168	28
	29								29
Subtotal	30	109,046	10,863	84,259				204,168	30
Social and family services									
General assistance	31								31
Assistance to aged persons	32	87,333		7,381				94,714	32
Assistance to children	33								33
Day nurseries	34								34
	35								35
Subtotal	36	87,333		7,381				94,714	36
Recreation and cultural services									
Parks and recreation	37	1,710,465	276,962	1,347,511	275,701			3,610,639	37
Libraries	38	617,633		249,033	405,968			1,272,634	38
Other cultural	39					205,283		205,283	39
Subtotal	40	2,328,098	276,962	1,596,544	681,669	205,283		5,088,556	40
Planning and development									
Planning and zoning	41	303,211		88,690				391,901	41
Commercial and industrial	42	128,815	141,280	326,871	52,251			649,217	42
Residential development	43								43
Agriculture and reforestation	44								44
Tile drainage/shoreline assistance	45								45
	46								46
Subtotal	47	432,026	141,280	415,561	52,251			1,041,118	47
Electricity	48								48
Gas	49								49
Telephone	50								50
Total	51	10,910,203	1,147,066	9,001,526	4,924,906	205,283		26,188,984	51

		$
Total of column 2 includes:		
Payments to Ontario in respect of Downtown Revitalization Program loans	81	
Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year)	82	
Interest portion of transit debt charges included on line 10	83	
Total of column 3 includes:		
Ministry of the Environment		
Provincial projects service charges —water	52	
—sewer	53	
Provincial projects frontage and connection charges—water	57	
—sewer	58	
Joint projects operating charges —water	54	
—sewer	55	
O.P.P. policing contracts	56	
Short term interest costs	60	
Total of column 5 includes:		
Grants to charitable and non-profit organizations	62	205,283
Grants to universities and colleges	63	
Contributions to UNCONSOLIDATED joint local boards		
Health unit	64	
District welfare board	65	
Home for the aged	66	
Recreation board(s)	67	
Fire area board	68	
Suburban roads commission	69	
	70	
	71	
Line 1 of column 7 includes:		
Members of council	72	183,344
Line 51 of column 7 includes:		
Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	73	154,228

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

5
9

		1 $
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	(628,817)
Sources of financing		
Contributions from own funds		
Revenue fund	2	1,541,539
Reserves and reserve funds	3	13,293,406
Subtotal	4	14,834,945
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	
The Public		
Serial debentures	13	
Sinking fund debentures	14	
. Region of Waterloo	15	1,402,806
. Promissory notes	16	1,980,550
.	17	
Subtotal*	18	3,383,356
Grants and loan forgiveness		
Ontario	20	612,877
Canada	21	
Other municipalities	22	65,600
Subtotal	23	678,477
Other financing		
Prepaid special charges	24	77,341
Proceeds from sale of fixed assets	25	
Investment income		
From own funds	26	
Other	27	
Donations	28	
. Sale of industrial land	30	1,316,621
. Other	31	592,769
Subtotal	32	1,986,731
Total sources of financing	33	20,883,509
Applications		
Own expenditures		
Short term interest costs	34	
Other	35	18,597,169
Subtotal	36	18,597,169
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	
Unconsolidated local boards	38	
Individuals	39	
Subtotal	40	
Transfers to reserves, reserve funds and the revenue fund	41	168,157
Total applications	42	18,765,326
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	(2,747,000)
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	(2,796,050)
To be recovered from:		
—taxation or user charges within term of council	45	
—proceeds from long term liabilities	46	49,050
—transfers from reserves and reserve funds	47	
—other (specify)	48	
Total unfinanced capital outlay (unexpended capital financing)	49	(2,747,000)
*amount in line 18 raised on behalf of other municipalities	19	

ANALYSIS OF CAPITAL GRANTS AND OWN EXPENDITURES

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

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		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1 $	2 $	3 $	4 $
General government	1	14,803			1,592,555
Protection to persons and property					
Fire	2				73,178
Police	3				
Conservation authority	4				
Protective inspection and control	5				
	6				
Subtotal	7				73,178
Transportation services					
Roadways	8	379,522			5,060,762
Winter control	9				
Transit	10				
Parking	11				102,134
Street lighting	12				64,018
Air transportation	13				
	14				
Subtotal	15	379,522			5,226,914
Environmental services					
Sanitary sewer system	16	97,567		2,123	2,049,291
Storm sewer system	17	9,940			2,446,155
Waterworks system	18			63,477	1,683,332
Garbage collection	19				86,650
Garbage disposal	20				
Pollution control	21				
. Coal tar removal	22				491,041
Subtotal	23	107,507		65,600	6,756,469
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30				
Social and family services					
General assistance	31				
Assistance to aged persons	32				
Assistance to children	33				
Day nurseries	34				
	35				
Subtotal	36				
Recreation and cultural services					
Parks and recreation	37	81,045			1,057,139
Libraries	38				313,745
Other cultural	39				31,887
Subtotal	40	81,045			1,402,771
Planning and development					
Planning and zoning	41	30,000			59,856
Commercial and industrial	42				3,485,426
Residential development	43				
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47	30,000			3,545,282
Electricity	48				
Gas	49				
Telephone	50				
Total	51	612,877		65,600	18,597,169

ANALYSIS OF NET LONG TERM LIABILITIES BY FUNCTION

as at December 31, 1987

Municipality: CITY OF WATERLOO

7 11

			$
General government		1	
Protection to persons and property			
Fire		2	
Police		3	
Conservation authority		4	
Protective inspection and control		5	
.		6	
	Subtotal	7	
Transportation services			
Roadways		8	1,688,452
Winter control		9	
Transit		10	
Parking		11	195,000
Street lighting		12	
Air transportation		13	
.		14	
	Subtotal	15	1,883,452
Environmental services			
Sanitary sewer system		16	527,998
Storm sewer system		17	118,130
Waterworks system		18	11,920
Garbage collection		19	
Garbage disposal		20	
Pollution control		21	
.		22	
	Subtotal	23	658,048
Health services			
Public health services		24	
Public health inspections and control		25	
Hospitals		26	
Ambulance services		27	
Cemeteries		28	
.		29	
	Subtotal	30	
Social and family services			
General assistance		31	
Assistance to aged persons		32	
Assistance to children		33	
Day nurseries		34	
.		35	
	Subtotal	36	
Recreation and cultural services			
Parks and recreation		37	1,081,964
Libraries		38	1,051,000
Other cultural		39	
	Subtotal	40	2,132,964
Planning and development			
Planning and zoning		41	
Commercial and industrial		42	2,333,550
Residential development		43	
Agriculture and reforestation		44	
Tile drainage/shoreline assistance		45	
.		46	
	Subtotal	47	2,333,550
Electricity		48	6,035,000
Gas		49	
Telephone		50	
	Total	51	13,043,014

ANALYSIS OF LONG TERM LIABILITIES AND COMMITMENTS

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

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		1 $
1. Calculation of debt burden of the municipality		
All debt issued by the municipality, predecessor municipalities and consolidated entities		
: To Ontario and agencies	1	
: To Canada and agencies	2	
: To other	3	2,726,016
Subtotal	4	2,726,016
Plus: All debt assumed by the municipality from others	5	10,687,466
Less: All debt assumed by others		
: Ontario	6	211,000
: Schoolboards	7	
: Other municipalities	8	159,468
Subtotal	9	370,468
Less: Ministry of the Environment debt retirement funds		
—sewer	10	
—water	11	
Own sinking funds (actual balances)		
—general municipal	12	
—enterprises and other	13	
Subtotal	14	
Total	15	13,043,014
Sinking fund debentures	16	
Installment (serial) debentures	17	11,062,464
Long term bank loans	18	
Lease purchase agreements	19	
Mortgages	20	
Ministry of the Environment	22	
. Promissory notes	23	1,980,550
	24	
		$
2. Total debt payable in foreign currencies (net of sinking fund holdings)		
U.S. dollars—Canadian dollar equivalent included in line 15 above	25	187,000
—par value of this amount in U.S. dollars	26	187,000
Other —Canadian dollar equivalent included in line 15 above	27	
—par value of this amount in _____	28	
		$
3. Interest earned on sinking funds and debt retirement funds during the year		
Own funds	29	
Ministry of the Environment—sewer	30	
—water	31	
		$
4. Actuarial balance of own sinking funds at year end	32	
		$
5. Long term commitments and contingencies at year end		
Total liability for accumulated sick pay credits	33	2,169,435
Total liability under OMERS plans		
—initial unfunded (payable over 5 years) (number of employees_____)	34	409,326
—actuarial deficiency (payable over_____years)	35	
Total liability for own pension funds		
—initial unfunded (payable over_____years) (number of employees_____)	36	
—actuarial deficiency (payable over_____years)	37	
Outstanding loans guaranteed (payable over_____years)	38	
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board		
—hospital support	39	
—university support	40	
—leases and other agreements	41	6,367,392
Other (specify) .	42	
	43	
	44	
Total	45	8,946,153

6. Ministry of the Environment Provincial Projects

		accumulated surplus (deficit) 1 $	total outstanding capital obligation 2 $	debt charges 3 $
Water projects —for this municipality only	46			
—share of integrated project(s)	47			
Sewer projects —for this municipality only	48			
—share of integrated project(s)	49			

7. 1987 Debt Charges		principal 1 $	interest 2 $
Recovered from the consolidated revenue fund			
—general tax rates	50	306,681	244,335
—special area rates and special charges	51		
—benefitting landowners	52	329,805	245,057
—user rates (consolidated entities)	53	21,000	2,188
Recovered from reserve funds	54		
Recovered from unconsolidated entities			
—hydro	55	287,000	643,870
—gas and telephone	57		
—	56		
—	58		
—	59		
Total	78	962,486	1,135,450

8. Future principal and interest payments on existing net debt

		recoverable from the consolidated revenue fund principal 1 $	recoverable from the consolidated revenue fund interest 2 $	recoverable from reserve funds principal 3 $	recoverable from reserve funds interest 4 $	recoverable from unconsolidated entities principal 5 $	recoverable from unconsolidated entities interest 6 $
1988	60	1,313,093	526,773			284,000	617,727
1989	61	1,662,755	520,056			289,000	590,911
1990	62	570,125	403,191			289,000	563,151
1991	63	601,382	347,102			303,000	534,849
1992	64	603,509	280,740			333,000	504,298
1993-1997	65	2,137,150	575,476			2,219,000	1,936,122
1998 onwards	79	120,000	-			2,318,000	577,406
Interest to be earned on sinking funds*	69						
Downtown revitalization program	70						
Total	71	7,008,014	2,653,338			6,035,000	5,324,514

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on expected new debt

		1 $
1988	72	21,939
1989	73	502,766
1990	74	861,896
1991	75	1,401,749
1992	76	1,858,245
Total	77	4,646,595

10. Other notes (attach supporting schedule as required)

CONTINUITY OF UPPER TIER AND SCHOOL BOARD LEVIES

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

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UPPER TIER

		1 Balance at beginning of year $	2 Amounts requisitioned $	3 Supplementary taxes $	4 Total expended $	5 Amount levied $	6 Telephone and telegraph taxations $	7 Share of Provincial grants $	8 Share of payments in lieu of taxes $	9 Other $	10 Total raised $	11 Balance at end of year $	
Included in general mill rate for upper tier purposes													
General requisition	1		10,587,200	306,548	10,893,748								
Special purpose requisitions													
Water rate	2												
Transit rate	3												
Sewer rate	4												
Library rate	5												
Road rate	6												
.	7												
.	8												
.	9												
.	10												
Sub total levied by mill rate—general	11	Nil	10,587,200	306,548	10,893,748	9,916,597	205,900		771,251		10,893,748	Nil	11
Special purpose requisitions													
Water	12												
Transit	13												
Sewer	14												
Library	15												
.	16												
.	17												
Sub total levied by mill rate—special areas	18												18
Special charges	19												
Direct water billings	20	Nil	1,993,556		1,993,556	1,993,556					1,993,556	Nil	19
Sewer surcharge on direct water billings	21	Nil	3,128,870		3,128,870	3,128,870					3,128,870	Nil	20
													21
Total region or county	22	Nil	15,709,626	306,548	16,016,174	15,039,023	205,900		771,251		16,016,174	Nil	22

SCHOOL BOARDS

		1 Balance at beginning of year $	2 Amounts requisitioned $	3 Supplementary taxes $	4 Pupils' fees, share of trades' licences $	5 Total expended $	6 Amount levied $	7 Telephone and telegraph taxations $	8 Share of payments in lieu of taxes $	9 Pupils' fees, share of trades' licences $	10 Total raised $	11 Balance at end of year $	
Elementary public	23	Nil	13,111,880	411,870		13,523,750	13,166,949	306,949	49,852		13,523,750	Nil	
.	24												
.	25												
.	26												
.	27												
Elementary separate	28	Nil	1,938,817	57,057		1,995,874	1,984,477		11,397		1,995,874	Nil	
.	29												
.	30												
.	31												
Secondary public	32	Nil	11,227,032	351,983		11,579,015	11,273,891	262,438	42,686		11,579,015	Nil	
.	33												
.	34												
.	35												
Secondary separate	37	Nil	1,660,169	48,761		1,708,930	1,699,170		9,760		1,708,930	Nil	
.	38												
.	39												
.	40												
Total school boards	36	Nil	27,937,898	869,671		28,807,569	28,124,487	569,387	113,695		28,807,569	Nil	36

CONTINUITY OF RESERVES AND RESERVE FUNDS

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

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15

			1 $
Balance at beginning of year		1	12,801,300
Revenues			
Contributions from revenue fund		2	3,383,367
Contributions from capital fund		3	
Lot levies and subdivider contributions		60	8,412,262
Recreational land (the Planning Act)		61	140,031
Investment income—from own funds		5	616,424
—other		6	
Other		9	42,685
.		10	
.		11	
.		12	
	Total revenue	13	12,594,769
Expenditures			
Transferred to capital fund		14	13,293,406
Transferred to revenue fund		15	223,994
Charges for long term liabilities—principal and interest		16	
Other		63	151,361
.		20	
.		21	
	Total expenditure	22	13,668,761
Balance at end of year for:			
Reserves		23	2,630,191
Reserve Funds		24	9,097,117
	Total	25	11,727,308
analysed as follows:			
Working funds		26	304,862
Contingencies		27	
Ministry of the Environment fund for renewals, etc.			
—sewer		28	
—water		29	
Replacement of equipment		30	1,967,606
Sick leave		31	685,900
Insurance		32	174,310
Workmen's compensation		33	
Capital expenditure—general administration		34	
—roads		35	
—sanitary and storm sewers		36	
—parks and recreation		64	227,184
—library		65	108,159
—other cultural		66	
—water		38	
—transit		39	
—housing		40	
—industrial development		41	
—other and unspecified		42	2,031,280
Lot levies and subdivider contributions		44	5,295,763
Recreational land (the Planning Act)		46	352,974
Parking revenues		45	
Debenture repayment		47	
Exchange rate stabilization		48	256,504
Waterworks current purposes		49	
Transit current purposes		50	
Library current purposes		51	
. Winter control		52	179,315
. Memorial Fund		53	2,316
. Local improvements		54	141,135
.		55	
.		56	
.		57	
	Total	58	11,727,308

ANALYSIS OF CONSOLIDATED YEAR END BALANCES
as at December 31, 1987

Municipality: CITY OF WATERLOO

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		1 $	2 $
ASSETS			
Current assets			portion of cash not in chartered banks
Cash	1	15,069,596	
Accounts receivable			
Canada	2		
Ontario	3	726,834	
Region or county	4	122,092	
Other municipalities	5	68,834	
School boards	6	8,313	portion of taxes
Waterworks	7	398,734	receivable for
Other (including unorganized areas)	8	1,808,358	business taxes
Taxes receivable			
Current year's levies	9	794,363	134,496
Previous year's levies	10	106,362	2,811
Prior years' levies	11	16,257	200
Penalties and interest	12	65,120	8,811
Less allowance for uncollectables	13	(13,000)	(13,000)
Investments (market value $			
Canada	14		
Provincial	15		
Municipal	16		
Other	17		portion of line 20
Other current assets	18	269,821	for tax sale/tax
Capital outlay to be recovered in future years	19	13,043,014	registration
Other long term assets	20	1,811,593	
Total	21	34,296,291	
LIABILITIES			
Current liabilities			portion of loans not from chartered banks
Temporary loans—current purposes	22		
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26		
Ontario	27	1,091	
Region or county	28	1,261,783	
Other municipalities	29	340,277	
School boards	30	729,609	
Trade accounts payable	31	2,370,011	
Other	32	266,781	
Other current liabilities	33		
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	5,092,014	
—special area rates and special charges	35		
—benefitting landowners	36	1,916,000	
—user rates (consolidated entities)	37	10,000	
Recoverable from Reserve Funds	38		
Recoverable from unconsolidated entities	39	6,035,000	
Less: Own holdings	40	(530,000)	
Reserves and reserve funds	41	11,727,308	
Accumulated net revenue (deficit)			
General revenue	42	1,050,000	
Special charges and special areas (specify)			
. Sewer surcharge	43	377,237	
.	44		
.	45		
.	46		
Consolidated local boards (specify)			
Transit operations	47		
Water operations	48	906,646	
Libraries	49	1,794	
Cemeteries	50		
Recreation, community centres and arenas	51		
. Uptown Improvement Area	52	3,740	
.	53		
.	54		
.	55		
Region or county	56		
School boards	57		
Unexpended capital financing/(unfinanced capital outlay)	58	2,747,000	
Total	59	34,296,291	

STATISTICAL DATA

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

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1. Number of continuous full time employees as at December 31

		1
Administration	1	32
Non-line Departmental Support Staff	2	
Fire	3	73
Police	4	
Transit	5	
Public Works	6	111
Health Services	7	
Homes for the Aged	8	
Other Social Services	9	
Parks and Recreation	10	52
Libraries	11	22
Planning	12	8
Total	13	298

2. Total expenditures during the year on:

		1 continuous full time employees December 31 $	2 Other $
Wages and salaries	14	9,150,415	452,826
Employee benefits	15	1,510,746	23,000

3. Reductions of tax roll during the year (lower tier municipalities only)

		1 $
Cash collections: Current year's tax	16	49,682,672
Previous years' tax	17	709,955
Penalties and interest	18	150,006
Subtotal	19	50,542,633
Discounts allowed	20	
Tax adjustments under section 362 and 363 of the Municipal Act —amounts added to the roll	22	( )
—amounts written off	23	
Tax adjustments under sections 465, 495 and 496 of the Municipal Act —recoverable from upper tier and school boards	24	189,446
—recoverable from general municipal revenues	25	59,337
Transfers to tax sale and tax registration accounts	26	
The Municipal Elderly Residents' Assistance Act—reductions	27	
—refunds	28	
Other (specify)	80	
Total reductions	29	248,783
Amounts added to the tax roll for collection purposes only	30	1,628
Business taxes written off under subsection 495 (1) of the Municipal Act	81	18,555

4. Tax due dates for 1987 (lower tier municipalities only)

		1
Interim billings: Number of installments	31	2
Due date of first installment (MMDDYY)	32	02/20/87
Due date of last installment (MMDDYY)	33	04/10/87
Final billings: Number of installments	34	2
Due date of first installment (MMDDYY)	35	06/12/87
Due date of last installment (MMDDYY)	36	09/18/87
Supplementary taxes levied with 1988 due date	37	$

5. Projected capital expenditures and long term financing requirements as at December 31

Estimated to take place		1 gross expenditure $	long term financing requirements: 2 approved by the O.M.B $	3 submitted but not yet approved by the O.M.B $	4 forecast not yet submitted to the O.M.B $
In 1988	58	12,965,000	344,000		12,763,000
In 1989	59	14,609,736			2,255,400
In 1990	60	14,515,674			9,508,819
In 1991	61	12,833,224			2,119,940
In 1992	62	11,088,908			1,791,265
Total	63	71,014,442	344,000		28,438,424

		1 balance in fund $	2 loans outstanding $
6. Ontario Home Renewal Plan trust fund at year end	82	175,106	113,980

7. Analysis of direct water and sewer billings as at December 31

water

		number of residential units	1987 billings: residential units $	1987 billings: all other properties $	4
		1	2	3	
In this municipality	39	22,218	1,091,463	1,957,581	
In other municipalities (specify municipality)	40				
	41				
	42				
	43				
	64				

sewer

		number of residential units	1987 billings: residential units $	1987 billings: all other properties $
		1	2	3
In this municipality	44	22,218	1,184,899	2,200,526
In other municipalities (specify municipality)	45			
	46			
	47			
	48			
	65			

		water 1	sewer 1
Number of residential units in this municipality receiving municipal water and sewer services but which are not on direct billing	66		

8. Selected investments of own sinking funds as at December 31

		1 own municipality $	2 other municipalities, school boards $	3 Province $	4 Federal $
Own sinking funds	83				

9. Borrowing from own reserve funds

		1 $
Loans or advances due to reserve funds as at December 31	84	792,952

10. Joint boards consolidated by this municipality

name of joint boards		1 total board expenditure $	2 contribution from this municipality $	3 this municipality's share of total municipal contributions $	4 for computer use only
	53				
	54				
	55				
	56				
	57				

11. Applications to the Ontario Municipal Board

		tile drainage, shoreline assistance, downtown revitalization, electricity, gas, telephone $	2 other $	3 total $
Approved but not financed as at Dec. 31, 1986	67		896,700	896,700
Approved in 1987	68		4,419,951	4,419,951
Financed in 1987	69		1,402,805	1,402,805
No long term financing necessary	70		358,446	358,446
Balance approved but not financed as at Dec. 31, 1987	71		3,555,400	3,555,400
Applications submitted but not approved as at December 31, 1987	72			

12. Forecast of total revenue fund expenditures

		1988 1 $	1989 2 $	1990 3 $	1991 4 $	1992 5 $
	73	31,427,000	34,569,000	38,026,000	41,829,000	46,012,000

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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AUDITORS' REPORT

To the Ministry of Municipal Affairs:

We have examined grant information schedule 13 of the Financial Information Return of The Corporation of the City of Waterloo for the year ended December 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs for the year 1987.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

GRANT INFORMATION

for the year ended December 31, 1987

Municipality: CITY OF WATERLOO

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ANALYSIS OF REVENUE FUND REVENUES — 1

Note: Upper tiers use column 4 only.

		upper tier purposes 2 $	own purposes 4 $
Taxation			
Direct water billings on ratepayers - own municipality	2	1,993,556	1,055,488
Sewer surcharge on direct water billings - own municipality	4	3,128,870	256,555
Payments in lieu of taxes			
Subtotal	18	771,251	1,138,320

ANALYSIS OF TAXATION — 2LT

LOCAL TAXABLE ASSESSMENT

I. Own purposes (a) Levied by mill rate		residential and farm 1 $	commercial and industrial 2 $	business 3 $
General	30	124,805,968	49,337,326	25,696,175
police villages at reduced rates	31			
farms at reduced rates	32			

TAXES LEVIED

		commercial and industrial 7 $	business 8 $	total 12 $
Subtotal levied by mill rate	1	3,145,346	1,638,178	
Share of telephone and telegraph taxation	2			252,672
Total own purposes taxation	4			12,689,784
II. Upper tier purposes				
Subtotal levied by mill rate	5	2,617,810	1,363,425	
share of telephone and telegraph taxation	6			205,900
Total upper tier taxation	8			10,122,497

ANALYSIS OF CAPITAL OPERATIONS — 5

		1 $
Other financing		
Prepaid special charges	24	77,341

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REVIEW ENGAGEMENT REPORT

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Waterloo:

We have reviewed the balance sheet of The Corporation of the City of Waterloo Waterworks Enterprise as at December 31, 1987 and the statements of revenue and expenditure and cash flows for the year then ended. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

BALANCE SHEET

As at December 31, 1987

ASSETS

	1987 $	1986 $
Accounts receivable	398,734	247,738
Due from City of Waterloo	708,973	836,769
Inventory (cost)	81,973	99,852
	1,189,680	1,184,359
Capital outlay to be recovered in future years	10,000	31,000
Investments (note 2)	410,000	145,000
	1,609,680	1,360,359

LIABILITIES

Accounts payable and accrued liabilities	421,990	180,652
Net long-term liabilities	10,000	31,000
Accumulated net revenue at the end of the year	906,646	979,501
Unexpended capital financing (capital operations not yet permanently financed)	10,149	(58,624)
Reserve (note 4)	260,895	227,830
	1,609,680	1,360,359

(See accompanying notes to the financial statements)

Prepared without audit - see Review Engagement Report

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

STATEMENT OF REVENUE AND EXPENDITURE

For the year ended December 31, 1987

	1987 Budget $	1987 Actual $	1986 Actual $
Revenue			
Sale of water	2,550,000	2,714,461	1,978,471
Fire protection	106,025	103,805	97,451
Other revenue	486,975	593,124	577,965
Total revenue	3,143,000	3,411,390	2,653,887
Expenditure			
Water supply	1,820,000	1,993,556	1,227,484
Water transmission and distribution	420,172	327,250	348,635
Administration	420,982	435,774	397,347
Water connections	77,500	135,514	121,668
Total operating expenditure	2,738,654	2,892,094	2,095,134
Principal payments and interest charges on long term debt	23,000	23,188	23,578
Transfers to reserve	44,850	75,993	56,522
Capital expenditure out of current revenue	469,496	492,970	457,577
Total expenditure	3,276,000	3,484,245	2,632,811
Excess (deficiency) of revenue over expenditure for the year	(133,000)	(72,855)	21,076
Accumulated net revenue at the beginning of the year	979,501	979,501	958,425
Accumulated net revenue at the end of the year	846,501	906,646	979,501

(See accompanying notes to the financial statements)

Prepared without audit - see Review Engagement Report

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

STATEMENT OF CASH FLOWS

For the year ended December 31, 1987

	1987 $	1986 $
Cash resources received (applied):		
Operating activities -		
Excess of revenue over operating expenditure for the year	519,296	558,753
Changes in operating assets and liabilities -		
(Increase) in accounts receivable	(150,996)	(2,648)
Decrease (increase) in inventory	17,879	(36,159)
Increase (decrease) in accounts payable and accrued liabilities	241,338	14,228
	627,517	534,174
Investment activities -		
Capital expenditures - engineering and structures	(1,690,404)	(2,214,819)
- machinery and equipment	7,073	(11,380)
	(1,683,331)	(2,226,199)
Financing activities -		
Principal payments and interest charges on long-term debt	(23,188)	(23,578)
Capital funds transferred from the municipality	1,222,944	1,745,040
Reserve transferred to the municipality	(6,738)	
	1,193,018	1,721,462
Increase in cash resources during the year	137,204	29,437
Cash resources at the beginning of the year	981,769	952,332
Cash resources at the end of the year	1,118,973	981,769
Cash resources consist of:		
Investments	410,000	145,000
Due from City of Waterloo	708,973	836,769
	1,118,973	981,769

(See accompanying notes to the financial statements)

Prepared without audit - see Review Engagement Report

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1987

1. Accounting Policies

The financial statements of the Waterworks Enterprise are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed assets -

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Revenue and Expenditure in the year of acquisition.

(iv) Capital outlay to be recovered in future years -

"Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Balance Sheet.

(b) Inventory

Inventory consists of maintenance supplies and material held for future capital expansion. Inventory is valued at cost on a first-in, first-out basis.

2. Investments

The total of investments of $410,000 (1986 - $145,000) recorded on the Balance Sheet at cost, have a market value of $417,478 (1986 - $159,670) as at the end of the year.

3. Net long term liabilities

Included in net long term liabilities on the Balance Sheet is an amount of $10,000 (1986 - $19,000) payable in U.S. dollars which was converted into Canadian dollars on the basis of $1 Canadian being equal to $1 U.S. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1987 the liability would be increased by approximately $2,994 (1986 - $7,230).

4. Reserve

The total balance of the reserve of $260,895 (1986 - $227,830) is set aside for specific purpose by Council for the acquisition of fixed assets.

Prepared without audit - see Review Engagement Report

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

ANALYSIS OF REVENUE

For the year ended December 31, 1987

	1987 $	1986 $
Sale of water		
Residential	1,091,463	808,430
Non-residential	1,622,998	1,170,041
	2,714,461	1,978,471
Fire protection		
Own municipality	73,500	67,100
Private	30,305	30,351
	103,805	97,451
Other revenue		
Installation and service charges	304,278	281,421
Investment income	21,574	32,647
Frontage charges	35,299	45,162
Water connections	126,361	143,030
Miscellaneous	98,301	59,299
Regional recoveries	7,311	16,406
	593,124	577,965
Total revenue	3,411,390	2,653,887

Prepared without audit - see Review Engagement Report

THE CORPORATION OF THE CITY OF WATERLOO WATERWORKS ENTERPRISE

ANALYSIS OF EXPENDITURE

For the year ended December 31, 1987

	Salaries, wages and fringe benefits $	Material, supplies and utilities $	Total $
Water Supply		1,993,556	1,993,556
Water Transmission and Distribution			
Mains	76,137	138,102	214,239
Meters	30,582	11,466	42,048
Services	28,463	42,500	70,963
	135,182	192,068	327,250
Administration			
General administration	188,039	20,733	208,772
Billing and data processing		227,002	227,002
	188,039	247,735	435,774
Water connections	21,192	114,322	135,514
Total operating expenditure	344,413	2,547,681	2,892,094
Principal payments on long term debt		21,000	21,000
Interest charges on long term debt		2,188	2,188
		23,188	23,188
Transfers to reserve		75,993	75,993
Capital expenditure out of current revenue	29,572	463,398	492,970
Total expenditure	373,985	3,110,260	3,484,245

Prepared without audit - see Review Engagement Report

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AUDITORS' REPORT

To the Chairman and Members of
The Waterloo Public Library Board:

We have examined the balance sheet of The Waterloo Public Library Board as at December 31, 1987 and the statements of revenue and expenditure and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

In common with most public library boards, the Board reports sundry and photocopier revenue amounting to $47,049 and $12,792 respectively, which is not susceptible of complete audit verification. Accordingly, we were unable to determine whether any adjustments might be necessary to sundry revenue, photocopier revenue and accumulated net revenue and cash resources received from operations.

In our opinion, except for the possibility of adjustments had sundry and photocopier revenue been susceptible of complete audit verification, these financial statements present fairly the financial position of the Board as at December 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

THE WATERLOO PUBLIC LIBRARY BOARD

BALANCE SHEET

As at December 31, 1987

ASSETS

	1987 $	1986 $
Cash	1,987	24,235
Accounts receivable	21,488	
Prepaid expenses		11,612
Capital outlay to be recovered in future years	1,051,000	
	1,074,475	35,847

LIABILITIES

Accounts payable	21,681	28,157
Net long term liabilities (note 2)	1,051,000	
Accumulated net revenue (deficit)	1,794	7,690
	1,074,475	35,847

(See accompanying notes to the financial statements)

THE WATERLOO PUBLIC LIBRARY BOARD

STATEMENT OF REVENUE AND EXPENDITURE

For the year ended December 31, 1987

	1987 Budget $	1987 Actual $	1986 Actual $
Revenue			
Municipal contribution	937,216	937,216	625,717
Province of Ontario grant	144,185	149,677	138,640
Other grant revenue		47,321	675
Photocopier	14,800	12,792	14,713
Sundry income	37,000	47,049	40,160
Total revenue	1,133,201	1,194,055	819,905
Expenditure			
Salaries and fringe benefits -			
Salaries and wages	497,750	524,315	431,351
Fringe benefits	77,200	75,818	65,395
Writer-in-libraries		17,500	
	574,950	617,633	496,746
Materials, supplies and utilities -			
Books	138,000	142,546	138,297
Periodicals and newspaper	8,500	12,841	8,741
Non-print materials	11,300	11,259	10,819
Utilities	26,500	20,444	22,517
Other supplies	28,200	29,871	27,559
	212,500	216,961	207,933
Services and rents -			
Photocopier	9,200	8,106	9,529
Portable rent	4,200	3,850	4,200
Maintenance	49,390	47,433	45,288
	62,790	59,389	59,017
Total operating expenditure	850,240	893,983	763,696
Principal payments on long term debt			33,052
Interest charges on long term debt			1,975
Capital expenditure out of current revenue	279,039	305,968	31,408
	279,039	305,968	66,435
Total expenditure	1,129,279	1,199,951	830,131
Excess (deficiency) of revenue over expenditure for the year)	3,922	(5,896)	(10,226)
Accumulated net revenue at the beginning of the year	(3,922)	7,690	17,916
Accumulated net revenue (deficit) at the end of the year	Nil	1,794	7,690

(See accompanying notes to the financial statements)

THE WATERLOO PUBLIC LIBRARY BOARD

STATEMENT OF CASH FLOWS

For the year ended December 31, 1987

	1987 $	1986 $
Cash resources received (applied):		
Operating activities -		
Excess of revenue over operating expenditure for the year	300,072	56,209
Changes in operating assets and liabilities -		
(Increase) in accounts receivable	(21,488)	
Decrease (increase) in prepaid expenses	11,612	(11,612)
(Decrease) increase in accounts payable	(6,476)	(2,565)
	283,720	42,032
Investment activities -		
Capital expenditures - library addition	(144,289)	
- books	(100,500)	
- other	(61,179)	(31,408)
	(305,968)	(31,408)
Financing activities -		
Principal payments and interest charges on long-term debt		(35,027)
(Decrease) in cash resources during the year	(22,248)	(24,403)
Cash resources at the beginning of the year	24,235	48,638
Cash resources at the end of the year	1,987	24,235
Cash resources consist of:		
Cash	1,987	24,235

(See accompanying notes to the financial statements)

THE WATERLOO PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1987

1. Accounting Policies

The financial statements of the Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed assets -

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Revenue and Expenditure in the year of acquisition.

(iv) Capital outlay to be recovered in future years -

"Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Balance Sheet.

2. Net long term liabilities

Net long term liabilities consists of a debenture issued by the Regional Municipality of Waterloo. The City of Waterloo has assumed responsibility for the payment of the related principal and interest charges. Principal payments are payable in the amount of $405,500 from 1988 to 1992 and $645,500 from 1993 to 1997.

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AUDITORS' REPORT

To the Chairman and Members of
The Uptown Waterloo Business Improvement Area
Board of Management:

We have examined the balance sheet of The Uptown Waterloo Business Improvement Area Board of Management as at December 31, 1987 and the statements of revenue and expenditure and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1987 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Waterloo, Canada,
March 30, 1988.

Chartered Accountants.

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

BALANCE SHEET

As at December 31, 1987

ASSETS

	1987 $	1986 $
Cash and term deposits	68	15,647
Accounts receivable	60,189	35,958
Prepaid expenses		310
	60,257	51,915
LIABILITIES		
Accounts payable and accrued liabilities	56,517	44,194
Accumulated net revenue	3,740	7,721
	60,257	51,915

(See accompanying note to the financial statements)

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

STATEMENT OF REVENUE AND EXPENDITURE

For the year ended December 31, 1987

	1987 $	1986 $
Revenue:		
Municipal contributions - tax levy	155,754	113,267
Investment income	1,926	2,027
Other		151
Total revenue	157,680	115,445
Expenditure:		
Operations - Advertising	74,152	59,771
- Wages	24,690	23,417
- Other	10,568	12,419
Total operating expenditure	109,410	95,607
Capital expenditure out of current revenue	52,251	35,688
Total expenditure	161,661	131,295
Excess (deficiency) of revenue over expenditure for the year	(3,981)	(15,850)
Accumulated net revenue at the beginning of the year	7,721	23,571
Accumulated net revenue at the end of the year	3,740	7,721

(See accompanying note to the financial statements)

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

STATEMENT OF CASH FLOWS

For the year ended December 31, 1987

	1987 $	1986 $
Cash resources received (applied):		
Operating activities -		
Excess of revenue over operating expenditure for the year	48,270	19,838
Changes in operating assets and liabilities -		
(Increase) in accounts receivable	(24,231)	(1,315)
Decrease (increase) in prepaid expenses	310	(60)
Increase in accounts payable and accrued liabilities	12,323	14,670
	36,672	33,133
Investment activities -		
Capital expenditures	(52,251)	(35,688)
(Decrease) increase in cash resources during the year	(15,579)	(2,555)
Cash resources at the beginning of the year	15,647	18,202
Cash resources at the end of the year	68	15,647
Cash resources consist of:		
Cash and term deposits	68	15,647

(See accompanying note to the financial statements)

THE UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

NOTE TO THE FINANCIAL STATEMENTS

December 31, 1987

Accounting policies

The financial statements of the Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since the precise determination of many assets and liabilities is dependent upon future events, the preparation of the periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

Accrual accounting -

The Board follows the accrual method of accounting for revenue and expenditures.

Capital expenditures -

Fixed asset purchases are charged to current expenditures in the year of acquisition.